Filing at a Glance

Company: CANAL INSURANCE COMPANY

Product Name: AR Changes - IL 102 AR 0907 SERFF Tr Num: CNLC-125219947 State: Arkansas

TOI: 35.0 Interline Filings SERFF Status: Closed State Tr Num: AR-PC-07-025265

Sub-TOI: 35.0002 Commercial Interline Filings Co Tr Num: CNLC-125219947 State Status:

Filing Type: Form Co Status: Reviewer(s): Betty Montesi,

Llyweyia Rawlins

Author: Beverly Witt Disposition Date: 07-05-2007

Date Submitted: 06-28-2007 Disposition Status: Approved

Effective Date Requested (New): 10-01-2007

Effective Date Requested (Renewal): 10-01-2007

Effective Date Requested (Renewal): 10-01-2007

Effective Date (Renewal): 10-01-2007

2007

General Information

Project Name: Status of Filing in Domicile: Not Filed

Project Number: Domicile Status Comments:

Reference Organization: ISO

Reference Number: CL-2006-OLOB1

Reference Title: Multistate Interline Forms Revision

Advisory Org. Circular: LI-CL-2007-020

Filing Status Changed: 07-05-2007

State Status Changed: 06-28-2007 Deemer Date:

Corresponding Filing Tracking Number:

Filing Description:

We are filing to non-adopt the following form referenced in ISOs filing CL-2006-OLOB1:

IL DS 00 09 07 Common Policy Declarations we will continue to use our approved independent form, IL 01 CW 0906.

We are filing to non-adopt the following forms referenced in ISOs filing CL-2006-OLOB1 (Supplement):

IL 01 63 09 07 Arkansas Changes this form does not apply to the lines of insurance Canal writes.

IL 02 31 09 07 Arkansas Changes Cancellation and Nonrenewal we are filing an independent form as described below.

IL 102 AR 0907 Arkansas Changes Cancellation and Nonrenewal mimics ISOs Arkansas Changes Cancellation and Nonrenewal Endorsement, IL 02 31 09 07. IL 102 AR 0907 is also intended to replace our previously filed independent form IL 102 AR 1206 which was approved by your department on 10-20-2006. The differences are:

- 1. References to lines of coverage that Canal Insurance does not write have been deleted from our proposed form.
- 2. We have added the words or your agent to paragraph A.5.a. because this word better reflects our billing which is

handled on an agency account current basis.

3. We can find no Arkansas statute or regulation governing the calculation of the gross unearned return premium due to nonpayment of premium by the insured to a general agent or producing agent, therefore weve changed the wording in

paragraph A.5.c. to say the refund may be less than pro rata.

4. In paragraph B. the cancellation reasons have been amended to add reasons #7, 8, & 9 in accordance with House

Bill 2440 which modified the definition of policy and was approved on April 2, 2007. This bill made the reasons found in

§ 23-89-303 applicable to commercial auto policies.

5. Also in accordance with HB 2440 paragraph D. NONRENEWAL is amended from 60 days to 30 days as stated in §

23-89-305.

A strike-through copy is included for your reference. Our desired effective date for both new and renewal policies is

10/1/2007.

Company and Contact

Filing Contact Information

BEVERLY WITT, COMPLIANCE ANALYST BEVERLY.WITT@CANAL-INS.COM

400 EAST STONE AVENUE (800) 868-7538 [Phone] GREENVILLE, SC 29601 (864) 679-2556[FAX]

Filing Company Information

CANAL INSURANCE COMPANY CoCode: 10464 State of Domicile: South Carolina 400 EAST STONE AVENUE Group Code: 262 Company Type: PROPERTY &

CASUALTY

State ID Number:

PO BOX 7

GREENVILLE, SC 29690 Group Name: CANAL GROUP

(864) 242-5365 ext. [Phone] FEIN Number: 57-0133332

Filing Fees

Fee Required? Yes
Fee Amount: \$50.00
Retaliatory? No

Fee Explanation: ADMINISTRATIVE AND REGULATORY FEE AMOUNTS

CATEGORY "B" -- MAXIMUM \$50 (Per Covered Entity, Filing or Transaction)

(a) Compliance.

(1) Filing or review of policy/contract, endorsements or certificates, riders, applications,

or annuity

forms, per submission	(not p	er form)	 \$	50

Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
CANAL INSURANCE COMPANY	\$50.00	06-28-2007	14375586

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Llyweyia Rawlins	07-05-2007	07-05-2007

Disposition

Disposition Date: 07-05-2007 Effective Date (New): 10-01-2007 Effective Date (Renewal): 10-01-2007

Status: Approved

Comment:

Rate data does NOT apply to filing.

Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property	&Approved	Yes
•	Casualty		
Form	Arkansas Changes - Cancellation and	Approved	Yes
	Nonrenewal		

Form Schedule

Review	Form Name	Form #	Edition	Form Type Action	Action Specific	Readability	Attachment
Status			Date		Data		
Approved	Arkansas	IL 102 AR	0907	Endorseme Replaced	IL 102 AR 1206	0.00	IL 102 AR
	Changes -	0907		nt/Amendm			0907 AR
	Cancellation and			ent/Conditi			Changes -
	Nonrenewal			ons			Cancellation
							and
							Nonrenewal.
							pdf
							IL 102 AR
							0907 AR
							Changes -
							Cancellation
							and
							Nonrenewal
							Strike
							Through.pdf



Greenville, SC

POLICY NUMBER:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ARKANSAS CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART COMMERCIAL GENERAL LIABILITY COVERAGE PART COMMERCIAL INLAND MARINE COVERAGE PART

- **A.** Paragraph **5.** of the **Cancellation** Common Policy Condition is replaced by the following:
 - 5.a. If this policy is cancelled, we will send the first Named Insured or your agent any premium refund due.
 - **b.** We will refund the pro rata unearned premium if the policy is:
 - (1) Cancelled by us or at our request;
 - (2) Cancelled but rewritten with us or in our company group;
 - (3) Cancelled because you no longer have an insurable interest in the property or business operation that is the subject of this insurance; or
 - (4) Cancelled after the first year of a prepaid policy that was written for a term of more than one year.
 - c. If the policy is cancelled at the request of the first Named Insured, other than a cancellation described in b.(2), (3) or (4) above, the refund may be less than pro rata. However, the refund of such amount will not reduce the premium retained by us to an amount less than the minimum premium for this policy.
 - **d.** The cancellation will be effective even if we have not made or offered a refund.
 - **e.** If the first Named Insured cancels the policy, we will retain no less than \$100 of the premium, subject to the following:
 - (1) We will retain the premium developed for any annual policy period for the General Liability Classifications, if any, shown in the Declarations.

- (2) If the Commercial Auto Coverage Part covers only snowmobiles or golfmobiles, we will retain \$100 or the premium shown in the Declarations, whichever is greater.
- (3) If the Commercial Auto Coverage Part covers an "auto" with a mounted amusement device, we will retain the premium shown in the Declarations for the amusement device and not less than \$100 for the auto to which it is attached.
- **B.** The following is added to the **Cancellation** Common Policy Condition:
 - 7. Cancellation Of Policies In Effect More Than 60 Days
 - a. If this policy has been in effect more than 60 days or is a renewal policy, we may cancel only for one or more of the following reasons:
 - Nonpayment of premium;
 - (2) Fraud or material misrepresentation made by you or with your knowledge in obtaining the policy, continuing the policy or in presenting a claim under the policy;
 - (3) The occurrence of a material change in the risk which substantially increases any hazard insured against after policy issuance;
 - (4) Violation of any local fire, health, safety, building or construction regulation or ordinance with respect to any insured property or its occupancy which substantially increases any hazard insured against under the policy;

- (5) Nonpayment of membership dues in those cases where our by-laws, agreements or other legal instruments require payment as a condition of the issuance and maintenance of the policy;
- (6) A material violation of a material provision of the policy;
- (7) Conviction of the named insured or driver of the insured vehicle of any of the following:
 - a. driving while intoxicated;
 - b. homicide or assault arising out of a motor vehicle;
 - c. 3 separate convictions for speeding or reckless driving, or any combination, during the policy period or 3months preceding the effective date;
- (8) Suspension or revocation of the license or registration of any customary driver during the policy period, or if a renewal, during the policy period or 180 days preceding the effective date; or
- (9) Fraud or misrepresentation of a material fact that would have caused us to decline to issue the policy. However, we may not rescind bodily injury and property damage for fraud suffered by innocent 3rd parties.
- **b.** Subject to Paragraph **7.c.**, if we cancel for:
 - (1) Nonpayment of premium, we will mail or deliver written notice of cancellation, stating the reason for cancellation, to the first Named Insured and any lienholder or loss payee named in the policy at least 10 days before the effective date of cancellation.
 - (2) Any other reason, we will mail or deliver notice of cancellation to the first Named Insured and any lienholder or loss payee named in the policy at least 20 days before the effective date of cancellation.
- **c.** The following applies to the Commercial Automobile Coverage Part:
 - (1) If we cancel for nonpayment of premium, we will mail or deliver written notice of cancellation, stating the reason for cancellation, to the first Named Insured and any lienholder or loss payee named in the policy, and any lessee of whom we have received notification prior to the loss, at least 10 days before the effective date of cancellation;

- (2) If we cancel for any other reason, we will mail or deliver notice of cancellation to the first Named Insured and any lienholder or loss payee named in the policy, and any lessee of whom we have received notification prior to the loss, at least 20 days before the effective date of cancellation.
- **C.** The following Condition is added and supersedes any other provision to the contrary:

NONRENEWAL

- If we decide not to renew this policy, we will mail to the first Named Insured shown in the Declarations, and to any lienholder or loss payee named in the policy, written notice of nonrenewal at least 30 days before:
 - a. Its expiration date; or
 - b. Its anniversary date, if it is a policy written for a term of more than one year and with no fixed expiration date.

However, we are not required to send this notice if nonrenewal is due to the first Named Insured's failure to pay any premium required for renewal.

2. We will mail our notice to the first Named Insured's mailing address last known to us. If notice is mailed, proof of mailing will be sufficient proof of notice.



POLICY NUMBER: IL 02 31 09 07

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ARKANSAS CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART

COMMERCIAL AUTOMOBILE COVERAGE PART

COMMERCIAL GENERAL LIABILITY COVERAGE PART

COMMERCIAL INLAND MARINE COVERAGE PART

COMMERCIAL LIABILITY UMBRELLA COVERAGE PART

COMMERCIAL PROPERTY COVERAGE PART

CRIME AND FIDELITY COVERAGE PART

EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART

EQUIPMENT BREAKDOWN COVERAGE PART

FARM COVERAGE PART

FARM UMBRELLA LIABILITY POLICY

LIQUOR LIABILITY COVERAGE PART

POLLUTION LIABILITY COVERAGE PART

PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

PROFESSIONAL LIABILITY COVERAGE PART

- **A.** Paragraph **5.** of the **Cancellation** Common Policy Condition is replaced by the following:
 - 5.a. If this policy is cancelled, we will send the first Named Insured or your agent any premium refund due.
 - **b.** We will refund the pro rata unearned premium if the policy is:
 - (1) Cancelled by us or at our request;
 - (2) Cancelled but rewritten with us or in our company group;
 - (3) Cancelled because you no longer have an insurable interest in the property or business operation that is the subject of this insurance; or
 - (4) Cancelled after the first year of a prepaid policy that was written for a term of more than one year.
- c. If the policy is cancelled at the request of the first Named Insured, other than a cancellation described in b.(2), (3) or (4) above, we will refund 90% of the pro rata unearned premium—the refund may be less than pro rata. However, the refund will be less than 90% of the pro rata unearned premium if the refund of such amount would will not reduce the premium retained by us to an amount less than the minimum premium for this policy.
- **d.** The cancellation will be effective even if we have not made or offered a refund.
- e. If the first Named Insured cancels the policy, we will retain no less than \$100 of the premium, subject to the following:
 - (1) We will retain no less than \$250 of the premium for the Equipment Breakdown Coverage Part.
- (2 1) We will retain the premium developed for any annual policy period for the General Liability Classifications, if any, shown in the Declarations.

- (3 2) If the Commercial Auto Coverage Part covers only snowmobiles or golfmobiles, we will retain \$100 or the premium shown in the Declarations, whichever is greater.
- (4 3) If the Commercial Auto Coverage Part covers an "auto" with a mounted amusement device, we will retain the premium shown in the Declarations for the amusement device and not less than \$100 for the auto to which it is attached.
- **B.** The following is added to the **Cancellation** Common Policy Condition:

7. Cancellation Of Policies In Effect More Than 60 Days

- a. If this policy has been in effect more than 60 days or is a renewal policy, we may cancel only for one or more of the following reasons:
 - (1) Nonpayment of premium;
 - (2) Fraud or material misrepresentation made by you or with your knowledge in obtaining the policy, continuing the policy or in presenting a claim under the policy;
 - (3) The occurrence of a material change in the risk which substantially increases any hazard insured against after policy issuance;
 - (4) Violation of any local fire, health, safety, building or construction regulation or ordinance with respect to any insured property or its occupancy which substantially increases any hazard insured against under the policy;
 - (5) Nonpayment of membership dues in those cases where our by-laws, agreements or other legal instruments require payment as a condition of the issuance and maintenance of the policy; or
 - (6) A material violation of a material provision of the policy;
 - (7) Conviction of the named insured or driver of the insured vehicle of any of the following:
 - a. driving while intoxicated;
 - b. homicide or assault arising out of a motor vehicle;
 - c. 3 separate convictions for speeding or reckless driving, or any combination, during the policy period or 3months preceding the effective date;

- (8) Suspension or revocation of the license or registration of any customary driver during the policy period, or if a renewal, during the policy period or 180 days preceding the effective date; or
- (9) Fraud or misrepresentation of a material fact that would have caused us to decline to issue the policy. However, we may not rescind bodily injury and property damage for fraud suffered by innocent 3rd parties.
- **b.** Subject to Paragraph **7.c.**, if we cancel for:
 - (1) Nonpayment of premium, we will mail or deliver written notice of cancellation, stating the reason for cancellation, to the first Named Insured and any lienholder or loss payee named in the policy at least 10 days before the effective date of cancellation.
 - (2) Any other reason, we will mail or deliver notice of cancellation to the first Named Insured and any lienholder or loss payee named in the policy at least 20 days before the effective date of cancellation.
- c. The following applies to the Farm Umbrella Liability Policy, Commercial Liability Umbrella Coverage Part and the Commercial Automobile Coverage Part:
 - (1) If we cancel for nonpayment of premium, we will mail or deliver written notice of cancellation, stating the reason for cancellation, to the first Named Insured and any lienholder or loss payee named in the policy, and any lessee of whom we have received notification prior to the loss, at least 10 days before the effective date of cancellation:
 - (2) If we cancel for any other reason, we will mail or deliver notice of cancellation to the first Named Insured and any lienholder or loss payee named in the policy, and any lessee of whom we have received notification prior to the loss, at least 20 days before the effective date of cancellation.
- C. Paragraph g. of the Mortgageholders Condition, if any, is replaced by the following:
 - g. If we elect not to renew this policy, we will give written notice to the mortgageholder:
 - (1) As soon as practicable if nonrenewal is due to the first Named Insured's failure to pay any premium required for renewal; or

- (2) At least 60 days before the expiration date of this policy if we nonrenew for any other reason.
- **DC**.The following Condition is added and supersedes any other provision to the contrary:

NONRENEWAL

- If we decide not to renew this policy, we will mail to the first Named Insured shown in the Declarations, and to any lienholder or loss payee named in the policy, written notice of nonrenewal at least 60 30 days before:
 - a. Its expiration date; or
 - **b.** Its anniversary date, if it is a policy written for a term of more than one year and with no fixed expiration date.

However, we are not required to send this notice if nonrenewal is due to the first Named Insured's failure to pay any premium required for renewal.

The provisions of this Paragraph 1. do not apply to any mortgageholder.

2. We will mail our notice to the first Named Insured's mailing address last known to us. If notice is mailed, proof of mailing will be sufficient proof of notice.

Rate Information

Rate data does NOT apply to filing.

Supporting Document Schedules

Review Status:

Satisfied -Name: Uniform Transmittal Document-

Property & Casualty

Approved

07-05-2007

Comments:

Attachment:

2007 NAIC P C Transmittal IL 102 AR 0907.pdf

Property & Casualty Transmittal Document

1.	Reserved for Insurance	Insurance Department Use only						
	Dept. Use Only			Date the filing is received:				
				Analyst:				
		c. l	Disposition:					
		d. I	Date o	Date of disposition of the filing:				
		e. I	Effect	Effective date of filing:				
				New Business				
			Rer	newal Business				
		f. S	State I	Filing #:				
		g. S	SERF	F Filing #:				
			Subjec	ct Codes				
3.	Group Name					Group NAIC #		
	Group Tunic					262		
4.	Company Name(s)			Domicile	NAIC#	FEIN#		
	Canal Insurance Company			SC	10464	57-0133332		
				 				
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5.	Company Tracking Number		CNL	.C-125219947				
		ate Office	-		nberl			
	Company Tracking Number stact Info of Filer(s) or Corpora Name and address	ate Office	r(s) [include toll-free nur	nber] FAX#	e-mail		
Con	tact Info of Filer(s) or Corpora		r(s) [e					
Con	ntact Info of Filer(s) or Corpora Name and address Beverly J. Witt P O Box 7	Title	r(s) [e	include toll-free nun Telephone #s	FAX#			
Con	tact Info of Filer(s) or Corpora Name and address Beverly J. Witt	Title Compliar	r(s) [e	include toll-free num Telephone #s 864-250-9244 or	FAX#	7 Beverly.witt@canal-		
Con	ntact Info of Filer(s) or Corpora Name and address Beverly J. Witt P O Box 7	Title Compliar	r(s) [e	include toll-free num Telephone #s 864-250-9244 or	FAX#	7 Beverly.witt@canal-		
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6.	Name and address Beverly J. Witt P O Box 7 Greenville, SC 29602	Title Complian Analyst	r(s) [e	include toll-free num Telephone #s 864-250-9244 or	FAX#	7 Beverly.witt@canal-		
7.	Name and address Beverly J. Witt P O Box 7 Greenville, SC 29602 Signature of authorized filer Please print name of authori	Title Complian Analyst	r(s) [Telephone #s 864-250-9244 or 800-868-7538 Beverly J. Witt	FAX # 864-679-252	7 Beverly.witt@canal-		
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Property & Casualty Transmittal Document---

15.	Reference Filing?	∑ Yes ☐ No
16.	Reference Organization (if applicable)	ISO
17.	Reference Organization # & Title	CL-2006-OLOB1 – Multistate Interline Forms Revision
18.	Company's Date of Filing	6/28/2007
19.	Status of filing in domicile	Not Filed ☐ Pending ☐ Authorized ☐ Disapproved
_		
20.	This filing transmittal is part of Company	Tracking # CNLC-125219947

We are filing to non-adopt the following form referenced in ISO's filing CL-2006-OLOB1:

IL DS 00 09 07 - Common Policy Declarations - we will continue to use our approved independent form, IL 01 CW 0906.

21. | Filing Description [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]

We are filing to non-adopt the following forms referenced in ISO's filing CL-2006-OLOB1 (Supplement):

IL 01 63 09 07 – Arkansas Changes – this form does not apply to the lines of insurance Canal writes.

IL 02 31 09 07 – Arkansas Changes – Cancellation and Nonrenewal – we are filing an independent form as described below.

IL 102 AR 0907 – Arkansas Changes – Cancellation and Nonrenewal mimics ISO's Arkansas Changes – Cancellation and Nonrenewal Endorsement, IL 02 31 09 07. IL 102 AR 0907 is also intended to replace our previously filed independent form IL 102 AR 1206 which was approved by your department on 10-20-2006. The differences are:

- 1. References to lines of coverage that Canal Insurance does not write have been deleted from our proposed form.
- 2. We have added the words "or your agent" to paragraph A.5.a. because this word better reflects our billing which is handled on an agency account current basis.
- 3. We can find no Arkansas statute or regulation governing the calculation of the gross unearned return premium due to nonpayment of premium by the insured to a general agent or producing agent, therefore we've changed the wording in paragraph A.5.c. to say "the refund may be less than pro rata".
- 4. In paragraph B. the cancellation reasons have been amended to add reasons # 7, 8, & 9 in accordance with House Bill 2440 which modified the definition of "policy" and was approved on April 2, 2007. This bill made the reasons found in § 23-89-303 applicable to commercial auto policies.
- 5. Also in accordance with HB 2440 paragraph D. NONRENEWAL is amended from 60 days to 30 days as stated in § 23-89-305.

A strike-through copy is included for your reference. Our desired effective date for both new and renewal policies is 10/1/2007.

Filing Fees (Filer must provide check # and fee amount if applicable)
[If a state requires you to show how you calculated your filing fees, place that calculation below]

Check #: EFT Amount: \$50.00

ADMINISTRATIVE AND REGULATORY FEE AMOUNTS

CATEGORY "B" -- MAXIMUM \$50 (Per Covered Entity, Filing or Transaction)

- (a) Compliance.

Refer to each state's checklist for additional state specific requirements or instructions on calculating fees.

***Refer to each state's checklist for additional state specific requirements (i.e. # of additional copies required, other state specific forms, etc.)

FORM FILING SCHEDULE

(This form must be provided ONLY when making a filing that includes forms) (Do <u>not</u> refer to the body of the filing for the forms listing, unless allowed by state.)

1.	This filing transmittal is part of Company Tracking CNLC-125219947 #								
2.	2. This filing corresponds to rate/rule filing number (Company tracking number of rate/rule filing, if applicable)								
3.	Form Name /Description/Synopsis	Form # Replacement Or Include edition date withdrawn?		If replacement, give form # it replaces	Previous state filing number, if required by state				
01	Arkansas Changes – Cancellation and Nonrenewal	IL 102 AR 0907	 □ New ⋈ Replacement □ Withdrawn	IL 102 AR 1206					
02			New Replacement Withdrawn						
03			New Replacement Withdrawn						
04			New Replacement Withdrawn						
05			New Replacement Withdrawn						
06			New Replacement Withdrawn						
07			New Replacement Withdrawn						
08			New Replacement Withdrawn						
09			New Replacement Withdrawn						
10			New Replacement Withdrawn						